

## Message Text

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62

ACTION EUR-25

INFO OCT-01 ISO-00 AEC-11 FEA-02 ACDA-19 CIAE-00 INR-11

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R 092000Z SEP 74

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 4434

UNCLAS OTTAWA 2886

EO 11652 NA

TAGS TECH ENRG ETRD EMIN CA

SUBJ NEW CANADIAN URANIUM POLICY

REF OTTAWA 2149

1. ENERGY, MINES AND RESOURCES MINISTER MACDONALD ANNOUNCED NEW GOC URANIUM POLICY ON SEPTEMBER 5, NOTING THAT SINCE EARLY THIS YEAR INQUIRIES TO CANADIAN URANIUM PRODUCERS FOR LONG-TERM SUPPLIES HAVE BEEN ACCELERATING. HE PREDICTED THAT WITHIN NEXT DECADE ANNUAL DEMAND WITHIN AND OUTSIDE CANADA IS EXPECTED TO INCREASE FOUR TO SIXFOLD, A VOLUME WHICH WILL STRAIN EXISTING AND POTENTIAL PRODUCTION FACILITIES. THE PURPOSE OF NEW POLICY, HE SAID, IS TO PROVIDE ORDERLY GROWTH OF URANIUM INDUSTRY AND PROTECT DOMESTIC NUCLEAR PROGRAMS.

2. HIGHLIGHTS OF URANIUM POLICY STATEMENT ARE AS FOLLOWS:

(A) TO ENSURE THAT DOMESTIC MARKET IS PROTECTED BEFORE EXPORT COMMITMENTS ARE MADE, SUFFICIENT URANIUM MUST BE RESERVED TO ENABLE EACH REACTOR OPERATING, COMMITTED FOR CONSTRUCTION OR PLANNED FOR OPERATION 10 YEARS INTO FUTURE TO OPERATE AT AVERAGE ANNUAL CAPACITY FACTOR OF 80 PERCENT FOR 30 YEARS.

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(B) DOMESTIC UTILITIES WILL BE REQUIRED TO

MAINTAIN AT LEAST A CONTRACTED 15-YEAR FORWARD  
SUPPLY OF FUEL FOR OPERATING AND COMMITTED  
REACTORS.

(C) URANIUM RESOURCE APPRAISAL GROUP IN EMR  
WILL AUDIT CANADIAN RESOURCES RECOVERABLE AT  
PRICES OF UP TO TWICE CURRENT WORLD MARKET  
PRICE AND MINING COMPANIES WILL BE ALLOCATED  
DOMESTIC RESERVE MARGINS.

(D) UNLESS SPECIFIC EXEMPTION GRANTED, ALL  
URANIUM EXPORTED WILL BE IN MOST ADVANCED  
FORM POSSIBLE IN CANADA.

(E) EXPORT CONTRACTS WILL BE LIMITED TO  
MAXIMUM DURATION OF 10 YEARS WITH CONTINGENT  
APPROVAL FOR ADDITIONAL FIVE YEARS.

(F) URANIUM WILL NOT BE EXPORTED AT MORE  
FAVORABLE PRICE THAN SOLD TO DOMESTIC PURCHASERS.

(G) GOC STOCKPILE WILL ONLY BE DISPOSED OF IN  
DOMESTIC MARKET AND PRIOR TO DISPOSAL WILL BE  
AVAILABLE ON COMMERCIAL LOAN BASIS FOR SHORT-TERM  
NEEDS OF CANADIAN PRODUCERS.

3. BACKGROUND PAPERS BEING SUBMITTED BY AIRGRAM.  
JOHNSON

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Subject:** NEW CANADIAN URANIUM POLICY  
**TAGS:** TECH, ENRG, ETRD, EMIN, CA, US  
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**Type:** TE  
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